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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON SEPTEMBER 13, 2011

Commission Chairman Orjiakor N. Isiogu called the meeting to order at 1:30 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: Orjiakor N. Isiogu, Chairman
Greg R. White, Commissioner

Staff: Lisa Gold
Judy Palnau
Mary Jo Kunkle
Sharron Allen
Catherine Bowers

Public: Jim Padgett, DTE Energy
Marie Wayman, DTE Energy
Robin Gleason, AT&T
Suzy Westmoreland, MEGA
Bev Roberts, Consumers Energy
Tim Hoffman, Consumers Energy

- I.** Commissioner White moved to approve today's agenda, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The agenda was approved.

- II.** Commissioner White moved to approve the minutes of the Regular Commission Meeting of August 25, 2011, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-10054 PENINSULA TELEPHONE COMPANY
(license surrender)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a request to surrender a license to provide basic local exchange service. The order before you approves the request, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

2. U-11548 PENINSULA TELEPHONE COMPANY
(eligible telecommunications carrier relinquishment)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a request to relinquish eligible telecommunications carrier status. The order before you grants the request, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

3. U-12589 FAIRPOINT COMMUNICATIONS SOLUTIONS CORP.
(license surrender)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a request to surrender a license to provide local exchange service. The order before you grants the request, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

4. U-14413 TELNET WORLDWIDE INC. AND AT&T MICHIGAN
(interconnection agreement)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a request for approval of an amendment to an interconnection agreement. The order before you approves the request, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

5. U-15379 GLOBAL CAPACITY GROUP, INC.
(license surrender)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a request to surrender a license to provide basic local exchange service. The order before you grants the request, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

6. U-16798 UNITED WAY FOR SOUTHEAST MICHIGAN
U-16459 JACKSON 2-1-1 CALL CENTER
(application)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involve requests to designate United Way for Southeast Michigan to be the 2-1-1 answering point for Lapeer County. The order before you grants the requests, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

7. U-16858 INFOTELECOM LLC v MICHIGAN BELL TELEPHONE COMPANY,
d/b/a AT&T MICHIGAN

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which is a complaint filed by Infotelecom, LLC, against AT&T Michigan seeking among other things, an emergency relief order preventing AT&T Michigan from ceasing to provide service. The order before you denies the request

for emergency relief and sets a reasonable amount for security to trigger the protections of MCL 484.2203(13) against termination of service pending the conclusion of a contested case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

8. MINUTE ELIGIBLE TELECOMMUNICATIONS CARRIERS
ACTION (Case No. U-16576)

Commissioner White moved that the Commission adopt and issue minute dated September 13, 2011 designating the following carriers as eligible telecommunications carriers (ETCs) for the purpose of receiving federal universal service funds to be expended in 2012, consistent with the Federal Communications Commission order in CC Docket No. 96-45, and the rate comparability review criteria set forth in 47 CFR 54.313 and 54.314. Further, each exchange is designated as a service area for this purpose. The certification granted in this minute action is conditioned upon the Commission's reservation of its right to audit all expenditures of these universal service funds. Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-15806 THE DETROIT EDISON COMPANY
(renewable energy contracts)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by The Detroit Edison Company for approval of an Engineering, Procurement and Construction Agreement with Barton Malow Company and a Turbine Supply Agreement with the General Electric Company. The order before you approves the contracts as in compliance with Public Act 295 of 2008, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White

Nays – None

The order was adopted.

2. U-16030-R ALPENA POWER COMPANY
(‘10 PSCR reconciliation)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Alpena Power Company to reconcile its power supply cost recovery costs and revenues for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

3. U-16031-R UPPER PENINSULA POWER COMPANY
(‘10 PSCR reconciliation)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Upper Peninsula Power Company for approval of its power supply cost recovery reconciliation for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

4. U-16430 PRESQUE ISLE ELECTRIC & GAS CO-OP
(‘11 PSCR reopener)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves Presque Isle Electric & Gas Co-op’s motion to reopen the case and establishing an expedited contested case proceeding for authority to revise the remaining months of its 2011 power supply cost recovery plan and factors. The order before you grants the motion, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

5. U-16669 ALPENA POWER COMPANY
(energy optimization plan review)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Alpena Power Company for approval of its energy optimization plan and 2011 energy optimization plan review pursuant to Public Act 295 of 2008. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

6. U-16674 NORTHERN STATES POWER COMPANY
(application)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Northern States Power Company for authority to implement its energy optimization plan and surcharges for the 24-month period of January 2012 through December 2013. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

7. U-16675 UPPER PENINSULA POWER COMPANY
(’12-’13 energy optimization plan)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Upper Peninsula Power Company for authority to implement its energy optimization plan and surcharges for the 24-month period of January 2012 through December 2013. The order before you

approves a settlement agreement resolving all issues in the case,
Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

8. U-16677 WISCONSIN ELECTRIC POWER COMPANY
(application)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Wisconsin Electric Power Company for authority to implement its energy optimization plan and surcharges for the 24-month period of January 2012 through December 2013. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

9. U-16738 ETIENNE BREWSTER v CONSUMERS ENERGY COMPANY

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a complaint filed by Etienne Brewster against Consumers Energy Company. The order before you enforces the settlement agreement reached by the parties and dismisses the case with prejudice, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

10. U-16794 CONSUMERS ENERGY COMPANY
U-16811 MICHIGAN GAS UTILITIES CORPORATION
U-16820 MICHIGAN GAS UTILITIES CORPORATION, UPPER PENINSULA
POWER COMPANY, AND WISCONSIN PUBLIC SERVICE
CORPORATION
U-16864 ALPENA POWER COMPANY, CONSUMERS ENERGY COMPANY,
THE DETROIT EDISON COMPANY, INDIANA MICHIGAN POWER
COMPANY, NORTHERN STATES POWER COMPANY –
WISCONSIN, UPPER PENINSULA POWER COMPANY,

WISCONSIN PUBLIC SERVICE CORPORATION, WISCONSIN
ELECTRIC POWER COMPANY, MICHIGAN GAS UTILITIES
CORPORATION, SEMCO ENERGY GAS COMPANY AND
MICHIGAN CONSOLIDATED GAS COMPANY
(tax issues)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves the Commission's own motion to solicit comments regarding the accounting treatment for several tax issues. The order before you provides notice to named parties of an opportunity to comment, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

11. MINUTE ACTION MIDWEST INDEPENDENT TRANSMISSION SYSTEM
OPERATOR, INC.
(Docket No. RM11-56-000)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 confirming that the Department of the Attorney General intervened on behalf of the Michigan Public Service Commission before the Federal Energy Regulatory Commission in Docket Number RM11-56-000, a complaint by FirstEnergy Service Company against the assessment of certain Multi-Value Project transmission charges by the Midwest Independent Transmission System Operator, Inc., Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

C. GAS

1. U-16407 MICHIGAN CONSOLIDATED GAS COMPANY
(main renewal plan)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application filed by Michigan Consolidated Gas Company for approval of a long-

term main renewal plan. The order before you approves the application with modifications, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

2. U-16418 CONSUMERS ENERGY COMPANY
(rate case - motion to extend time)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application filed by Consumers Energy Company for authority to increase its rates for the distribution of natural gas and for other relief. The order before you grants Consumers Energy Company's motion to extend time, pending further order of the Commission, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

3. U-16451 MICHIGAN CONSOLIDATED GAS COMPANY
(meter move-out plan)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Michigan Consolidated Gas Company requesting approval of a meter removal and relocation program. The order before you approves the proposed program, establishes certain monitoring and reporting requirements and defers consideration of costs and cost recovery to the company's next general rate case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

4. U-16583 INTERNATIONAL PAINT STRIPPING v MICHIGAN
CONSOLIDATED GAS COMPANY

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a complaint filed by

International Paint Stripping against Michigan Consolidated Gas Company. The order before you dismisses the complaint with prejudice, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

5. U-16757 MICHIGAN CONSOLIDATED GAS COMPANY
(uncollectable expense true-up mechanism)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves an application by Michigan Consolidated Gas Company for approval of its uncollectible expense true-up mechanism computation for 2010. The order before you approves a settlement agreement resolving all issues in the case, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

6. U-16866 COMMISSION'S OWN MOTION
(investigation)

Commissioner White moved that the Commission adopt and issue order dated September 13, 2011 which involves a matter, on the Commission's own motion, ordering an investigation into safety related incidents involving the Bay Area 20-inch pipeline. The order before you directs DCP Midstream, LP to provide an initial written report on the incidents, directs the Commission Staff to complete an investigation, and orders DCP Midstream, LP to immediately implement certain corrective actions pending further order of the Commission, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Isiogu announced that press releases would be issued later.

Chairman Isiogu announced that the next regularly scheduled Commission Meeting will be held on October 4, 2011.

Commissioner White moved that the Commission adjourn, Chairman Isiogu seconded.

Vote: Yeas – Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 1:48 p.m.

Mary Jo Kunkle
Executive Secretary